

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Application of California-American Water Company (U210W) for Authorization to Increase its Revenues for Water Service by \$25,999,900 or 10.60% in the year 2021, by \$9,752,500 or 3.59% in the year 2022, and by \$10,754,500 or 3.82% in the year 2023.

Application 19-07-004

**PROTEST OF THE PUBLIC ADVOCATES OFFICE TO
CALIFORNIA-AMERICAN WATER COMPANY'S APPLICATION 19-07-004**

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August 5, 2018

I. INTRODUCTION

Pursuant to Rule 2.6 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure (Rules), the Public Advocates Office at the California Public Utilities Commission (Public Advocates Office) submits this timely protest to California American Water Company's (Cal Am's) Application (A.) 19-07-004 for Authority to Increase Rates for Water Service (Application) in each year 2021 through 2023.¹

In A.19-07-004, Cal Am seeks authorization to increase rates effective January 1, 2021 to produce revenues through 2023 totaling 18.01% (\$46,506,900) above the revenues estimated at current rates. Cal Am also requests recovery, continuation, creation, and closing of various memorandum and balancing accounts, and changes to currently authorized rate designs; all of which will ultimately impact customer's bills.

II. ISSUES TO BE ADDRESSED

The Public Advocates Office is conducting the necessary discovery, review, and analysis to determine whether the requests made by Cal Am in the Application are reasonable and in the public interest.²

The following is a non-exhaustive list of issues in this proceeding:

1. The reasonableness of proposed revenues, revenue requirements, and rate designs.
2. Whether Cal Am's seventeen (17) Special Requests are necessary and in the public interest.
3. Operation of Cal Am's various alternative rate making mechanisms, including the Annual Consumption Adjustment Mechanism ("ACAM") and Water Rate Adjustment Mechanism ("WRAM") and whether such mechanisms should be continued, modified or eliminated.

¹ A.19-07-004 appeared on the Commission's Daily Calendar on July 5, 2019. The deadline to respond under Rule 2.6(a) and Rule 1.15 is August 5, 2019.

² P.U. Code 451 requires that "All charges demanded or received by any public utility...shall be just and reasonable. Every unjust or unreasonable charge demanded or received for such product or commodity or service is unlawful."

4. Adequacy of Cal Am's customer service and safety programs.
5. Cal Am's compliance with all statutory and regulatory requirements.

III. CATEGORIZATION

The Public Advocates Office does not oppose Cal Am's proposed categorization of this proceeding as ratesetting.

IV. NEED FOR EVIDENTIARY HEARINGS AND PROCEEDING SCHEDULE

Evidentiary hearings will be necessary if the parties are unable to settle all disputed issues in this proceeding. Therefore, the Commission should adopt a schedule that allows parties time to conduct discovery, prepare testimony and participate in evidentiary hearings. Further, Cal Am's customers—who will be impacted by the outcome of this proceeding—should have an opportunity to express any particular concerns they may have regarding this proceeding through public participation hearings. A minimum of at least one public participation hearing in each of Cal Am's service territories should be scheduled early in this proceeding's schedule so that public comments may be incorporated into the Public Advocates Office's analysis and testimony.³

The schedule proposed in Cal Am's final application generally follows the guidelines of the Rate Case Plan for Class A Water Utilities.⁴ The Public Advocates Office recommends slight adjustments to allow for earlier public participation hearings.

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³ Pub. Util. Code Section 1711(a).

⁴ D.07-05-062, Appendix A, at A-5.

PROPOSED SCHEDULE of the PUBLIC ADVOCATES OFFICE		
DATES	DAYS	ITEM
July 5, 2019	0	Application Filed (per Daily Calendar)
July 15 to September 18, 2019	10–75	Prehearing Conference
July 15 to October 14, 2019	10–100	Public Participation Hearing
August 5, 2019	31	Protests Due
October 14, 2019	101	Final Update of Cal Am’s Showing
January 31, 2020	210	Public Advocates Office Serves Testimony
February 10, 2020	220	Other Intervenors Serve Testimony
March 26, 2020	265	Cal Am’s Rebuttal Testimony Served
March 31 to April 20, 2020	270-290	Settlement Discussions and ADR
April 20 to May 11, 2020	290-310	Evidentiary Hearings
June 9, 2020	340	Opening Briefs Filed and Served
June 9, 2020	340	Motion for Interim Rates
June 10, 2020	341	Mandatory Status Conference
June 24, 2020	355	Reply Briefs Filed with Comparison Exhibit
July 9, 2020	370	Water Division Technical Conference
October 7, 2020	460	Proposed Decision Mailed
October 27, 2020	480	Comments on Proposed Decision Served
November 2, 2020	486	Reply Comments Served
November 12, 2020	496	Commission Decision

V. CONCLUSION

Cal Am’s Application raises numerous issues regarding the continued provision of safe and reliable service at the lowest possible cost. The prudence of Cal Am’s operations and proposed expenditures must be reviewed to ensure that the relief requested is just and reasonable. The Public Advocates Office plans to conduct the necessary discovery, review, and analysis to determine whether Cal Am’s proposals are reasonable and in the public interest. Evidentiary hearings may be required, and a schedule should be established that allows for a diligent review of issues identified in this protest. The

Public Advocates Office reserves the right to address any other issues discovered in the course of this proceeding.

Respectfully submitted,

/s/ KERRIAN SHEPPARD

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